

# MEMORANDUM

**TO:** Tad Johnsen, Director of City of Columbia Utilities

**FROM:** Sarah Talbert, Assistant Director City of Columbia Utilities

**DATE:** October 31, 2018

**SUBJECT:** FY18 Cash Position

This memo is a review of the cash position of the water and electric utilities. The information is based on the preliminary unaudited FY18 Year-End Financial Statement.

**Water:** As shown in the table below, the water utility ended FY18 with \$4,092,736 in unrestricted cash and cash equivalents. That amount is \$921,843 above the unrestricted cash and cash equivalent at the end of FY17. In addition, the value of materials in inventory has increased slightly from \$1,080,538 at the end of FY17 to \$1,104,831 at the end of FY18.

The target FY18 year-end cash reserve position, for the water utility, is \$8,627,335. The combined unrestricted cash and value of inventory materials is \$5,197,567. At the end of FY18, the water utility is \$3,429,768 below the target cash reserve position. Future corrective measures will be necessary to align the cash reserve position with the target position.

## WATER

FY18 Target Cash Position		Year-End	
Operating Expenses		\$14,421,389	
PILOT		\$4,340,335	
Interest Expense		\$2,109,137	
Supplemental Requests		\$793,000	
Operating Transfers		\$152,903	
Principal On Debt		\$3,319,910	
<b>FY18 Expenditures w/o CIP</b>		<b>\$25,136,674</b>	
20% of Expenditures		\$5,027,338	<b>FY18 Year-End Unrestricted Cash</b>
FY19 CIP Transfer		\$3,600,000	Inventory FY18 Year-End
<b>Target Cash Position</b>		<b>\$8,627,335</b>	<b>Total Cash Position-FY18 Year-End</b>
			<b>\$4,092,736</b>
			\$1,104,831
			<b>\$5,197,567</b>

**Electric:** As shown in the table below, the electric utility ended FY18 with \$28,676,220 in unrestricted cash and cash equivalents. That amount is \$3.2 million above the

unrestricted cash and cash equivalent at the end of FY17. The value of materials in inventory has increased from \$4,548,031 at the end of FY17 to \$5,013,851 at the end of FY18.

The target FY18 year-end cash reserve position, for the electric utility, is \$30,567,907. The combined unrestricted cash and value of inventory materials is \$33,690,071. At the end of FY18, the electric utility is \$3,122,164 above the target cash reserve position.

## **ELECTRIC**

<b>FY18 Target Cash Position</b>	<b>Year-End</b>		
Operating Expenses	\$97,410,946		
PILOT	\$12,437,799		
Interest Expense	\$5,481,028		
Supplemental Requests	\$1,590,425		
Operating Transfers	\$639,249		
Principal On Debt	\$6,030,090		
<b>FY18 Expenditures w/o CIP</b>	<b>\$123,589,537</b>		
20% of Expenditures	\$24,717,907	<b>FY18 Year-End Unrestricted Cash</b>	<b>\$28,676,220</b>
FY19 CIP Transfer	\$5,850,000	Inventory FY18 Year-End	\$5,013,851
<b>Target Cash Position</b>	<b>\$30,567,907</b>	<b>Total Cash Position-FY18 Year-End</b>	<b>\$33,690,071</b>